

JUNE 22, 1981

THE DIRECTOR OF THE DIVISION OF STATE LANDS TOOK FORMAL ACTION ON JUNE 22, 1981, at 10:00 A.M., IN THE STATE LAND OFFICE, ROOM 411, EMPIRE BUILDING, 231 EAST 400 SOUTH, SALT LAKE CITY, UTAH 84111, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

MINERAL LEASE APPLICATIONS

METALLIFEROUS MINERALS LEASE APPLICATIONS - REJECTED *gB*

Upon recommendation of Mr. Blake, the Director rejected the Metalliferous Minerals lease applications listed below and ordered a refund of the advance rentals to the applicant. The filing fees are forfeited to the State of Utah.

Min. Lease Appl. No. 39244	T11S, R10W, SLM	Juab
John R. Anderson	Section 36: S $\frac{1}{2}$	320.00 acres
50 South Main Street		
Suite 1570		
Salt Lake City, UT 84144		

REJECTED: Conflict with ML 39243 Met. Minerals
REFUND: \$320.00

LIMESTONE LEASE APPLICATIONS - REJECTED *gB*

Upon recommendation of Mr. Blake, the Director rejected the Limestone lease application listed below and ordered a refund of the advance rentals to the applicant. The filing fees are forfeited to the State of Utah.

Min. Lease Appl. No. 39247	1S, R2E, SLM	Salt Lake
Portland Cement Company	Section 18: Lots 5, 6	20.15 acres
of Utah		
P. O. Box 1469		
Salt Lake City, UT 84110		

REJECTED: This land has not yet been posted for simultaneous filing for limestone following termination of ML 26797.
REFUND: \$21.00

AMENDMENT OF SAND AND GRAVEL - ML 33827 *gB*

Uintah County has requested that their lease numbered above be amended to include a larger area. This request presents an opportunity to amend this lease with our current lease form for sand & gravel.

Upon recommendation of Mr. Blake, the Director approved this request and be allowed to adopt such lease form as an amended version of the existing lease. The amended lease will include lands as described below:

T5S, R22E, SLM	Uintah
Section 30: Lot 3	39.92 acres

The lease will be subject to review in 1982.

PARTIAL RELINQUISHMENT AND READJUSTMENT OF CLAY LEASE - ML 25409 *gB*

The above numbered lease has exceeded its primary term of ten years and has ceased production. Lessee may wish to resume production in the near future however, and accordingly has entered a lease amendment.

Upon recommendation of Mr. Blake, the Director approved the partial relinquishment of this Clay lease and offering the relinquished lands for lease by simultaneous bid.

CONTINUED ON PAGE 2

PAGE NO. TWO

JUNE 22, 1981

PARTIAL RELINQUISHMENT AND READJUSTMENT OF CLAY LEASE - ML 25409 CONTINUED

gfb

Continued from page 1

The lease amendment provides for relinquishment of 1432.75 acres as follows:

T7S, R1W, SLM	Utah County
Section 17: N $\frac{1}{2}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$	
Section 18: E $\frac{1}{2}$ NE $\frac{1}{4}$; Section 19: E $\frac{1}{2}$ E $\frac{1}{2}$	
Section 20: E $\frac{1}{2}$ SE $\frac{1}{4}$ (Lots 1,8,15,16), E $\frac{1}{2}$ NE $\frac{1}{4}$	
Section 29: Lots 8,9,10,11,12,17,18	
Section 30: E $\frac{1}{2}$ E $\frac{1}{2}$	

The lease amendment retains 520.30 acres as follows:

T7S, R1W, SLM	Utah County
Section 20: NW $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$, Lots 2,3,5,6,7,12,13,14	

The lease amendment extends the lease to May 27, 1988, without production by payment of an annual minimum royalty starting at the rate of \$4.00 per acre for lease year 1981-1982 and, thereafter, increasing annually at the rate of \$1.00 per acre through the twentieth year (1988). The lease will not be extended beyond the twentieth year without production.

The lease amendment further provides that annual rentals will be increased from 50¢/acre to \$1.00/acre, and that production royalty be increased from 10¢/S.T. to 25¢/S.T. Annual rental and annual minimum royalty may be credited toward production royalty for a year in which production occurs.

Upon recommendation of Mr. Blake, the Director approved the amendment of these lease terms, effective May 27, 1981.

ACCEPTANCE OF BOND ON CLAY LEASE - ML 25409

gfb

Filtrol Corporation has submitted surety bond #8089-6733 in the amount of \$25,000 with Federal Insurance Company as surety to cover mining operations on the above numbered lease in accordance with terms and conditions of the lease as amended May 27th, 1981.

The bond appears in order and upon recommendation of Mr. Blake, the Director approved this bond.

PARTIAL RELINQUISHMENT OF OIL, GAS AND HYDROCARBON LEASE - ML 35782

gfb

Mr. Donald W. Ziska, lessee under Oil, Gas, and Hydrocarbon lease ML 35782 has filed a relinquishment of part of the lands in this lease. The lease should be amended to delete the relinquished lands. Upon recommendation of Mr. Prince, the Director approved the relinquishment of these lands and offering them for lease by simultaneous bid.

ML 35782	Relinquished lands--		
	T5S, R24E, SLM.		
	Sec. 36: N $\frac{1}{2}$ N $\frac{1}{2}$	160.00 acres	Uintah
	Retained lands--		
	T5S, R24E, SLM.		
	Sec. 36: S $\frac{1}{2}$ NW $\frac{1}{4}$	80.00 acres	Uintah

JUNE 22, 1981

RELINQUISHMENT OF MINERAL LEASES

The lessee under the mineral leases listed below has filed relinquishments of these leases. Upon recommendation of Mr. Prince, the Director approved the termination of the leases listed below and offering the lands for lease by simultaneous bid.

ML 33250	Raymond Chorney	T31S, R15E, SLM. Sec. 16: All	Garfield 640.00 acres
ML 33251	Raymond Chorney	T29S, R21E, SLM. Sec. 2: All Sec. 16: All Sec. 32: All Sec. 36: W $\frac{1}{2}$	San Juan 2241.40 acres
ML 33252	Raymond Chorney	T29S, R22E, SLM. Sec. 2: All Sec. 3: SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 16: All Sec. 24: SW $\frac{1}{4}$ SW $\frac{1}{4}$	San Juan 1360.48 acres

COMMITMENT OF ADDITIONAL LANDS TO THE SAND WASH UNIT

On June 10, 1975, the Board of State Lands approved the Unit Agreement and Cooperative Plan of Development and operation of the Sand Wash Plan Area, County of Uintah, State of Utah, for the development of certain State oil shale lands. Tosco Corporation is the operator of this unit.

Tosco Corporation has acquired certain oil shale leases adjacent to lands included in the Sand Wash unit and has now requested that these leases be committed to the Sand Wash unit as provided in Article 21 of the unit subject to all the terms and conditions of the unit.

The lands covered by these leases are intermixed with lands already committed to the unit and logically part of the mine development area. Upon recommendation of Mr. Prince, the Director approved the following oil shale leases be added to the Sand Wash Unit.

<u>State Lease No.</u>	<u>Description</u>	<u>Net Acres</u>
ML 20643	T9S, R22E, SLM. Sec. 32: All	640.00
ML 20705	T9S, R22E, SLM. Sec. 31: Lots 1,2,3, E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$	524.06
ML 20706	T9S, R22E, SLM. Sec. 29: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 30: SE $\frac{1}{4}$ SE $\frac{1}{4}$	600.00

OIL AND GAS DRILLING BOND, - ML 21221

Beartooth Oil & Gas Company, operator of ML 21221, has submitted an oil and gas drilling bond to cover operations on part of the lands in this lease, E $\frac{1}{2}$ Sec. 32, T16S, R21E, SLM.

This bond is in the amount of \$5,000. The surety is The Western Casualty & Surety Company, bond number 50 45 96. This bond is in order and upon recommendation of Mr. Prince, the Director accepted this bond to cover operations of Beartooth Oil & Gas Company on the above listed lands in ML 21221.

JUNE 22, 1981

CORRECTION OF DIRECTOR'S MINUTES OF MAY 26, 1981 *EWB*

On the above Director's Minutes the Approval of the Haley Siding Unit and the Oil Canyon Unit were listed. However, these units were approved on the May 18, 1981, minutes. It is, therefore, recommended that the minutes of May 26, 1981, be corrected as showing no approval of the Haley Siding Unit and the Oil Canyon Unit since they were already approved on the May 18th minutes. Upon recommendation of Mr. Bonner, the Director approved this correction.

REQUEST FOR APPROVAL OF THE EAST CANYON UNIT *EWB*

Phelps Dodge Fuel Development Corporation, operator of the East Canyon Unit, has submitted this unit for approval by the State of Utah. The East Canyon Unit is located approximately 15 miles northeast of Monticello. This unit contains 17,217.86 acres of which 14,377.86 acres or 83.51 percent are Federal lands, 1,280.00 acres or 7.43 percent are State lands, and 1,560.00 acres or 9.06 percent are Patented lands. The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 300 feet of the Chinle Formation, but not to exceed 1,300 feet. This unit is on the standard unit agreement form and contains all of the necessary State Land provisions.

The following is the only State of Utah lease in this unit.

ML 27728 Lear Petroleum Corporation

This lease has been committed to the unit. Upon recommendation of Mr. Bonner, the Director approved this Unit.

REQUEST FOR APPROVAL OF THE LOA UNIT *EWB*

Hamilton Brothers Oil Company, operator of the Loa Unit, has submitted this unit for approval by the State of Utah. The Loa Unit is located on the Wasatch Plateau in central Utah approximately 5 miles east of the town of Loa. This unit contains 24,373.48 acres of which 21,636.52 acres or 88.77 percent are Federal lands, 641.60 acres or 2.63 percent are State lands and 2,095.36 acres or 8.60 percent are Patented lands. The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the upper 200 feet of the Redwall Formation, but not to exceed 10,800 feet. This unit is on the standard unit agreement form and contains all of the necessary State Land provisions.

The following is the only State of Utah lease in this unit.

ML 28232 Mobil-TransOcean Company

This lease has been committed to the unit

Upon recommendation of Mr. Bonner, the Director approved this Unit.

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JUNE 22, 1981

SURFACE BUSINESS MATTERS

RIGHT OF WAY APPLICATIONS APPROVED

RIGHT OF ENTRY NO. 2160 *KMH*

Geophysical Service Inc., c/o Robert Martin, General Delivery, Logan, Utah 84321 has requested permission for a right of entry for a seismic survey operating base involving the following State land.

Township 11 North, Range 3 East, SLB&M
Section 36: Cache County

School fund

There will be no seismic survey activity conducted on this section. It will be used as a seismic survey base of operations only at a fee of \$50.00 plus a \$20.00 application fee. Upon recommendation of Mr. Higgins, the Director approved this Right of Way.

RIGHT OF WAY NO. 2049 *MMW*

Northwest Pipeline Corporation, 315 East 200 South, P. O. Box 1526, Salt Lake City, UT 84110 has submitted an application for a buried 4½" natural gas pipeline - 4428 feet long (263.364 rods) and 60 feet wide across the following described State lands in Uintah and Duchesne Counties:

NWPL R/W #80264
T15S, R23E, SLB&M
Section 16: SE¼SW¼, N¼SW¼, N¼SW¼

Uintah County
School fund

NWPL R/W #80686
T10S, R17E, SLB&M
Section 32: W¼NW¼

Duchesne County
School fund

The initial payment is \$1,476.00, plus a \$20.00 application fee for a total of \$1,496.00, and a \$10.00 payment every three years beginning January 1, 1984. Upon recommendation of Mr. Wall, the Director approved this Right of Way.

RIGHT OF WAY NO. 2162 *MMW*

Uintah County, Courthouse Building, Vernal, UT 84078 has submitted application for a road right of way two hundred feet wide and 1366 feet (82.789 rods) long, 82.789 rods x \$7.00 per rod = \$579.52 on across the following described State lands:

T10S, R24E, SLB&M
Section 2: NE¼

Uintah County
School fund

The initial payment is \$579.53, plus a \$20.00 application fee for a total of \$599.52, and a \$10.00 payment every three years beginning January 1, 1984. Upon recommendation of Mr. Wall, the Director approved this Right of Way.

PAGE NO. SIX

JUNE 22, 1981

RIGHT OF ENTRY NO. 2161 PEP

This office is in receipt of a request from Conoco Inc. c/o Douglas C. Henstra, P.O. Box 241, Roy, Utah 84067 for permission to conduct a seismic survey-vibroseis method across the following State lands:

Township 25 South, Range 7 East, SLB&M
Section 2: N $\frac{1}{2}$ Emery County School funds

The fee for a seismic survey-vibroseis method is \$50.00/mile totaling \$100.00, plus a \$20.00 application fee totaling \$120.00. Expiration date August 22, 1981. Upon recommendation of Mr. Pratt, the Director approved this Right of Entry.

ASSIGNMENT OF RIGHT OF WAY NO. 1175 PEP

Utah Power & Light Company, 1407 North West Temple, Salt Lake City, Utah 84110, has submitted an assignment of their right of way No. 1175 to Energy Fuels Nuclear Inc., Box 787, Blanding, Utah 84511. Upon recommendation of Mr. Pratt, the Director approved this Right of Way assignment.

AMENDMENT OF RIGHT OF WAY NO. 1998 PEP

Texas Oil & Gas Corporation, 1800 Lincoln Center Bldg., Denver, CO 80264 has requested the following admendment to Right of Way No. 1998 to install a 4 $\frac{1}{2}$ " gas gathering line on the following described State land in Grand County:

Township 16 South, Range 26 East, SLB&M,
Section 15: Grand County

The initial payment is \$110.00, based on \$2.00/rod @ 55 rods long, 60' wide in addition to fee assessed for existing road right of way. Upon recommendation of Mr. Pratt, the Director approved this Right of Way amendment..

AMENDMENT OF RIGHT OF WAY NO. 2097 PEP

Northwest Pipeline Corporation, 315 East 200 South, P.O. Box 1526, Salt Lake City, Utah 84110 has requested to relocate the site for a temporary shallow pond (150' x 150') for disposing of water used for pipeline testing in Right of Way No. 2097. The easement will now contain the following description for above described use:

Township 26 South, Range 22 East, SLB&M
Section 27: NW $\frac{1}{4}$ NW $\frac{1}{4}$ Grand County

There is no fee charged to relocate site. Upon recommendation of Mr. Pratt, the Director approved this Right of Way amendment.

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GRAZING PERMITS

ASSIGNMENT OF GP 20274, 20480 AND 20922 KMH

Assignment of grazing permits GL 20274, 20480, and 20922 from Clay Madsen, to Gary Madsen, 125 South 1st West, Manti, Utah 84642. Gary Madsen now has 100% interest in the above grazing permits. Upon recommendation of Mr. Higgins, the Director approved this grazing permit assignment.

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ASSIGNMENT OF GP 17191 PEP

Clay Madsen has requested permission to assign 100% of his interest in GP 17191 to Gary Madsen, 125 South 1st. West, Manti, Utah 84642. Upon recommendation of Mr. Wilcox, the Director approved this grazing permit assignment.

6/22/81

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PAGE NO. 6

JUNE 22, 1981

ASSIGNMENT OF GP 19852, 20461 20252, 21488, 21711 *PP*

Elizabeth K. Summers, Monticello, Utah, personal representative of Kenneth S. Summers (deceased) has submitted an assignment of these grazing permits to K. S. Summers Livestock Inc., Box 67, Monticello, Utah 84535. Upon recommendation of Mr. Pratt, the Director approved this grazing permit assignment.

CORRECTION OF DIRECTOR'S MINUTES - JUNE 8, 1981 *RBH*

GRAZING PERMIT ADDITION

In the Director's minutes of June 8, 1981, grazing permit addition for GP 21229, indicated that Township 39 South, Range 1 West, Sec 32: All, was to be added to GP 21229; this should be corrected to Township 39 South, Range 1 West, Sec 16: All.

Upon recommendation of Mr. Wilcox, the Director approved this correction.

SUBLEASE ON SULA NO. 339 *KMH*


The Division of State Lands has received a request to allow a sublease on Special Use Lease No. 339 Radio Communication Service from Mr. Lovell Killpack. They are requesting an addition of one microwave system at their present site as follows:

Frequencies 2149.2 and 2136.4 MHz. 1 - 6 ft. dish mounted at 30 ft. on a 60 ft. tower and 1 - 10 ft. dish mounted at 15 ft. height.

Upon recommendation of Mr. Higgins, the Director approved this sublease of SULA NO 339 subject to an increase in fee of \$15.00 per month for \$180.00 per year, payable by the Lessee at the time of their regular payment.

<u>INTEREST RATES</u>	<u>CURRENT</u>	<u>YEAR AGO</u>
Prime Rate	20.00	18.50
Federal Funds	9.50	7.40
Discount Rate	13.00	12.00


WILLIAM K. DINEHART, DIRECTOR
DIVISION OF STATE LANDS/ FORESTRY


VERNA A. PETERSEN, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209